

Message Text

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50

ACTION EA-10

INFO OCT-01 EUR-08 NEA-06 ISO-00 SS-15 NSC-05 IO-04 L-01

ABF-01 A-01 FS-01 SSO-00 NSCE-00 OMB-01 TRSE-00

CIAE-00 INR-05 NSAE-00 RSC-01 INRE-00 /060 W

----- 118069

O R 051200Z NOV 74

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 064

INFO AMEMBASSY BUDAPEST

AMEMBASSY JAKARTA

AMEMBASSY TEHRAN

AMEMBASSY WARSAW

C O N F I D E N T I A L SAIGON 13933

E.O. 11652: GDS

TAGS: MARR, VS, AFIN

SUBJECT: ICCS FINANCES

REF: SAIGON 13873

1. PA&E MANAGER HICKS MET WITH INDODEL AMB SUHUD AND HIS SENIOR ADVISERS MORNING NOV. 5 AT SUHUD'S REQUEST. SUHUD, WHO MUCH IMPRESSED HICKS WITH HIS SERIOUSNESS OF PURPOSE, ASKED FOR BACKGROUND ON ADMINISTRATIVE PROBLEM AND FOR SUGGESTIONS FOR A SOLUTION, EITHER BY ICCS PERSUADING PA&E TO WITHDRAW ITS TERMINATION NOTICE AND CONTINUE, OR BY ICCS UNDERTAKING TO HANDLE ITS OWN ADMINISTRATIVE SERVICES.

2. HICKS EXPLAINED THE PROBLEM IN THE SECRETARIAT, NOTING THAT THE SITUATION IS NOT ANY BETTER. SUHUD NOTED THAT HE HAD DESIGNATED A NEW ACTING DIRECTOR GENERAL, ALTHOUGH NO INDONESIAN WAS PRESENTED TO HICKS AS SUCH OR NAMED. HICKS EXPLAINED THAT PA&E WANTED TO BE OF GREATEST HELP TO ICCS IN ANTICIPATED FORTHCOMING TRANSITION, BUT COULD NOT AFFORD TO BE STUCK AGAIN WITH UNPAID BILLS IN NEXT ICCS FINANCIAL CRISIS.

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3. HICKS OUTLINED SEVERAL ALTERNATIVES TO INDONESIANS, AS FOLLOWS:

A. ICCS COULD TAKE OVER ALL PA&E LOCAL EMPLOYEES, BY DIRECT HIRE ON ITS OWN PAYROLL, MAINTAIN THE PRESENT PA&E ORGANIZATION INTACT, AND ATTEMPT TO DIRECT ITS OWN ADMINISTRATIVE SERVICES. (HICKS LATER COMMENTED TO EMBOFF THAT IN SUCH CASE SOME CRITICAL SERVICES WOULD STILL PROBABLY HAVE TO BE HANDLED BY SMALL SPECIALIZED CONTRACTORS.)

B. PA&E WOULD CONSIDER WITHDRAWING ITS TERMINATION NOTICE IF IT WERE GUARANTEED SURETY OF PAYMENT. THIS, HICKS TOLD THE INDONESIANS, COULD BE ACCOMPLISHED IN SEVERAL ALTERNATIVE WAYS:

(1) BY THE ESTABLISHMENT OF AN IRREVOCABLE LETTER OF CREDIT OR ENCUMBERED OR IMPREST BANK ACCOUNT BY AGREEMENT BETWEEN THE ICCS, PA&E, AND THE BANK; (2) BY A GUARANTEE BY THE US GOVERNMENT THAT PA&E WOULD BE PAID; OR (3) BY AN ARRANGEMENT WHEREBY THE US GOVERNMENT SUBSUMES THE PA&E CONTRACT AND PAYS PA&E DIRECTLY, THUS FURNISHING PA&E SERVICES IN PART SUBSTITUTION OF ITS CASH CONTRIBUTION.--A SUGGESTION WHICH CAME FROM PA&E IN THIS CASE BUT WILL NOT BE ENTIRELY NEW TO THE DEPT.

4. AT CONCLUSION OF HICKS PRESENTATION, SUHUD TOLD HIM HE WOULD INVESTIAGE SITUATION IN SECRETARIAT AND DISCUSS MATTER WITH US EMBASSY. HE THEN SENT REQUEST TO EMBOFF TO MEET WITH HIM AND HIS SENIOR ADVISERS AT 0830 MORING NOV. 6. PRESUMABLY THEY SPENDING REST OF TODAY CHECKING ON SECRETARIAT.

5. PA&E HAS COMMENCED SENDING OUT ADVANCE NOTICE OF DISMISSAL AT THE END OF TWO WEEKS TO ITS EMPLOYEES.

MARTIN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, BUDGETS, FINANCIAL CONTRIBUTIONS, TRUCE OBSERVERS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Executive Order: GS
Errors: N/A
Film Number: D740317-0085
From: SAIGON
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1974/newtext/t19741170/aaaachfo.tel
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Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Reference: SAIGON 13873
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Review Exemptions: n/a
Review History: RELEASED <21 MAY 2002 by elyme>; APPROVED <26 MAR 2003 by KelleyW0>
Review Markings:

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30 JUN 2005

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Review Withdrawn Fields: n/a
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TAGS: MARR, AFIN, VS, ICCS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005